

SRV and Community Engagement Presentation to Councillors

Junee Shire Council

August 2022



Prepared for:

Ref	Date	Version	Approving Director
7647	August 2022	1.0	Greg Smith

© Morrison Low

Except for all client data and factual information contained herein, this document is the copyright of Morrison Low. All or any part of it may only be used, copied or reproduced for the purpose for which it was originally intended, except where the prior permission to do otherwise has been sought from and granted by Morrison Low. Prospective users are invited to make enquiries of Morrison Low concerning using all or part of this copyright document for purposes other than that for which it was intended.

Contents

- SRV options
- Financial modelling
- Rate impacts
- Community engagement plan and activities
- SRV process and timing
- Next steps

The special rate variation options

	Option A	Option B	Option C
Closing the gap through <ul style="list-style-type: none"> asset rationalisation change in service levels stop services increased fees and charges 	\$113,000 proposed savings over two years from a combination sustainability improvements	\$313,000 proposed savings over two years from a combination sustainability improvements	\$483,000 proposed savings over two years from a combination of sustainability improvements
Increase asset spend <ul style="list-style-type: none"> asset renewal requirements 	+ \$250,000 p.a.	+ \$250,000 p.a.	+ \$250,000 p.a.
Special rate variation (excludes the rate peg of 2.5% which will be in addition)	Plus an SRV of 26.5% compounded spread over two years (15% +10%). - 32.19% with RP	Plus an SRV of 22.08% compounded spread over two years (12% +9%). - 27.67% with RP	Plus an SRV of 17.6% compounded spread over two years (12%+5%). - 23.09% with RP

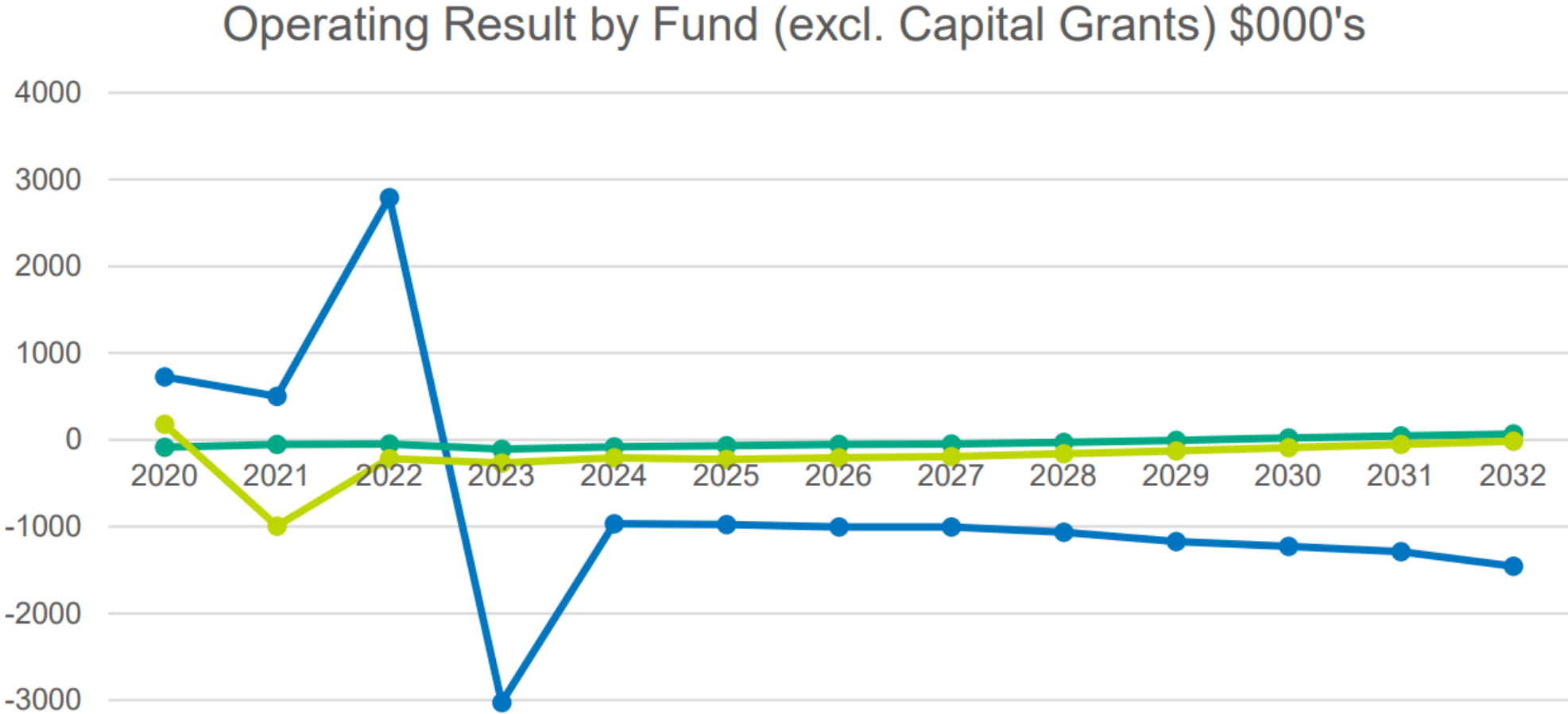
SRV financial modelling

- We have worked with Council staff to confirm the LTFP modelled options and assumptions for each scenario to finalise the LTFP forecast model.
- Council determined its preference for an SRV over two years – 2023/24 - 15% and 2024/25 - 10% permanent increase over and above the rate peg.
- The compounded increases over two years are:

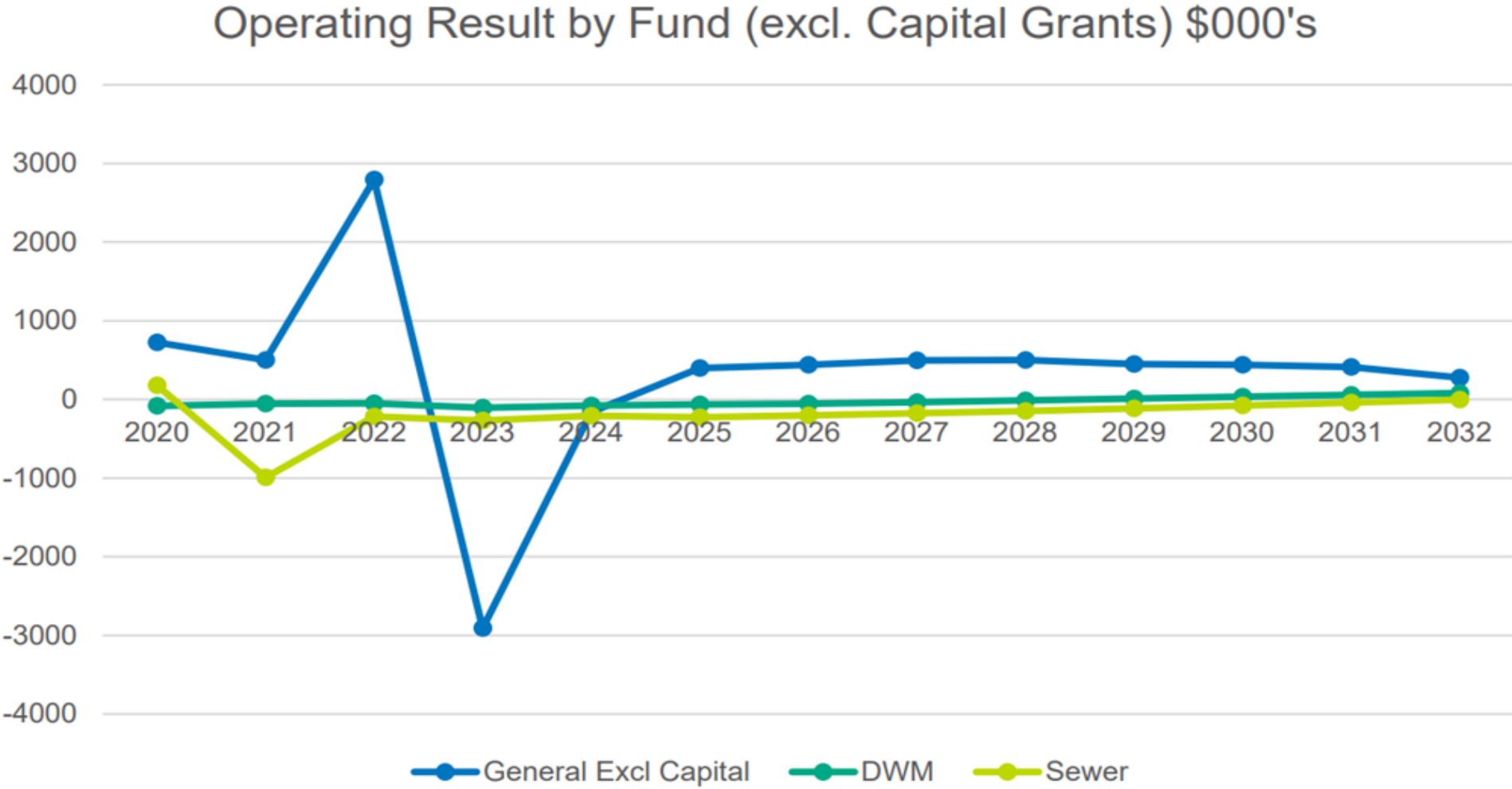
	2023/24	2024/25	Cumulative
Permanent increase above the rate peg	15.0%	10%	26.50%
Rate peg	2.5%	2.5%	5.06%
Total increase	17.5%	12.5%	32.19%

- This SRV increase will generate \$1.2 million p.a. (after year two) in additional revenue to cover:
 - \$950,000 for of operating costs for current services (in addition to \$113,000 service saving included in the LTFP)
 - \$250,000 of capital costs for additional asset renewals.

Financial modelling – base case (current service levels) no SRV outcome



Financial modelling – SRV case (current service levels) with SRV outcome



Comparison with other councils

Residential

Rank	Council	Avg rate (2024-25)
1	Bland (group 10)	\$1,376
2	Wagga	\$1,252
3	Cootamundra/ Gundagai	\$1,103
4	Junee (group 10)	\$895
5	Temora (group 10)	\$697
6	Lachlan (group 10)	\$625
7	Coolamon	\$427

Farmland

Rank	Council	Avg rate (2024-25)
1	Cootamundra/ Gundagai	\$4,448
2	Lachlan (group 10)	\$3,877
3	Junee (group 10)	\$3,557
4	Bland (group 10)	\$3,303
5	Wagga	\$3,156
6	Temora (group 10)	\$2,440
7	Coolamon	\$2,207

Business

Rank	Council	Avg rate (2024-25)
1	Wagga	\$6,756
2	Cootamundra/ Gundagai	\$2,608
3	Junee (group 10)	\$2,260
4	Temora (group 10)	\$1,609
5	Bland (group 10)	\$1,285
6	Lachlan (group 10)	\$788
7	Coolamon	\$458

Impact of rate increase including rate peg

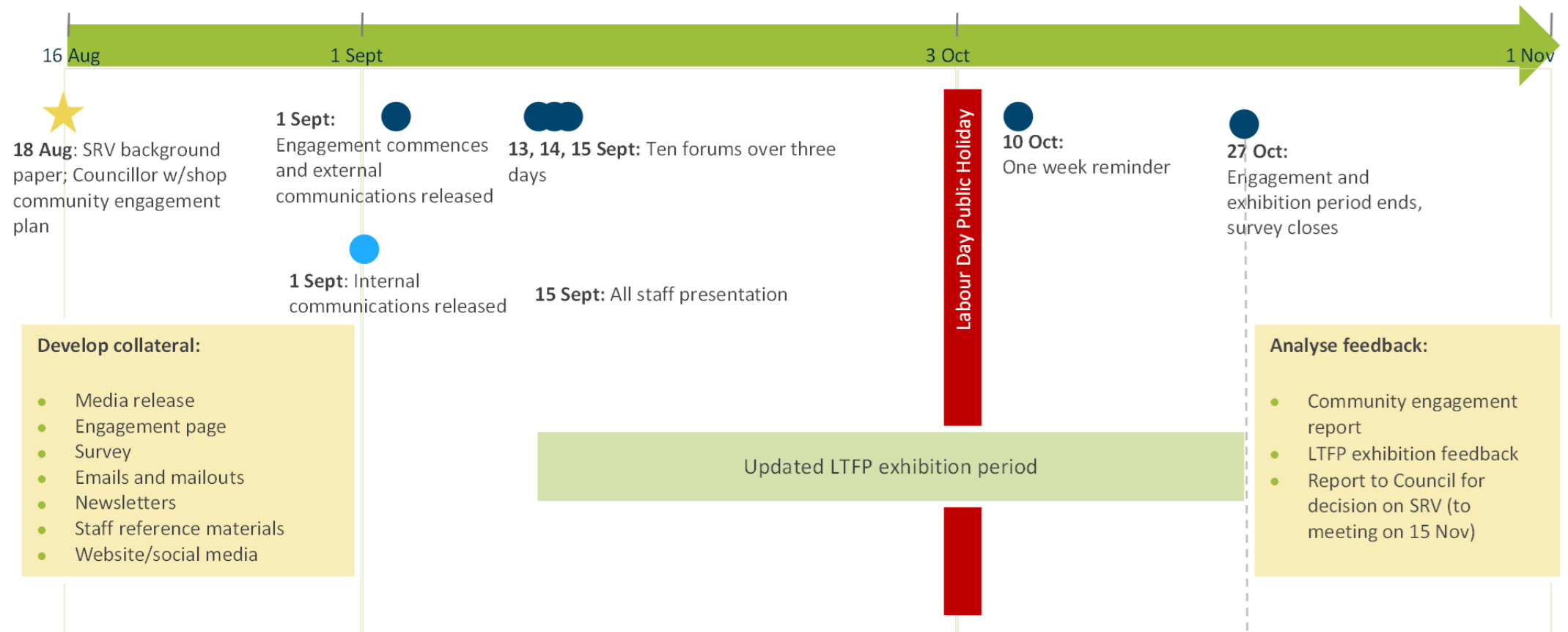
	Average Annual Rate 2023/24	2023/24 weekly increase	Average Annual Rate 2023/24	2024/25 weekly increase
Farmland on land value of \$1,179,000	\$3,972.00	\$11.38	\$4,468.50	\$9.55
Residential - Town on land value of \$62,300	\$1,082.87	\$3.10	\$1,218.22	\$2.60
Residential - Rural and Village on land value of \$95,200	\$ 871.57	\$2.50	\$ 980.52	\$2.10
Business - Town on land value of \$89,800	\$3,143.91	\$9.00	\$3,536.90	\$7.56
Business on land value of \$52,300	\$1,286.37	\$3.68	\$1,447.17	\$3.09

Note: a general revaluation will be effective from 1 July 2023 and will also impact the rates that individuals will pay.

Community engagement

- Council's DP informed the community that consultation regarding the proposed SRV will occur between August and December 2022.
- The process will follow Council's Community Engagement Strategy and IAP2 Quality Standard with development of an engagement plan and program.
- Engagement proposed to run from 1 September to 27 October – accounting for public and school holidays.
- Roles during community engagement include community informing and engaging, councillors listening, staff supporting and Morrison Low advising and facilitating.
- As a basis for informing the community, a background paper will be developed to provide community members with an independent opinion on Council's financial reasons for an SRV and the community impacts of the SRV.
- The LTFP, with the SRV option modelled, will be exhibited in parallel to the community engagement process.
- A single source of information – Council's website.
- Content online and sent to residents.
- Community focus group meetings.

Community engagement activities and timeline



Next steps



QUESTIONS?